

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
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COMMITTEE ON GENERAL AFFAIRS
January 31, 2005
LB 209, 210, 405, 733

The Committee on General Affairs met at 1:30 p.m. on Monday, January 31, 2005, in Room 1510 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB 209, LB 210, LB 405, and LB 733. Senators present: Ray Janssen, Chairperson; Deb Fischer, Vice Chairperson; Matt Connealy; Abbie Cornett; Philip Erdman; Mike Friend; David Landis; and Roger Wehrbein. Senators absent: None

SENATOR JANSSEN: Good afternoon, ladies and gentlemen. Welcome to the General Affairs Committee hearings. I'd like to go over the hearing process with you a little bit before the rest of the committee gets here. It will just take a few minutes and the exact order in which the committee will take up bills is determined by the Chairman at the beginning of each hearing. If you want to testify before the committee, you will need to fill a testifier's sheet at the drop box back by the back door, and please deposit them in that little box right here on the testifier's table. And please record...spell your name for the recorder, and state who, if anyone, you are representing. It's important to remember that the committee proceedings are transcribed verbally. And I would ask you, please, if you would shut any cell phones off that you have on you, or put them on buzz or vibrate or however you do that. Introducers will make initial statements, followed by proponents and opponents. Testimony in a neutral capacity will be permitted at the discretion of the Chair. Closing is reserved to the introducer, the introducing senator only. With that, I would like to tell you all about the committee here and who is on the committee. We have some new faces on the General Affairs Committee this year, and we're really appreciative for them wanting to be on this very prestigious committee.

SENATOR LANDIS: Here, here.

SENATOR JANSSEN: To my far right is Senator Friend from Omaha, and on his left is Senator Phil Erdman from Bayard, Nebraska. And on his left is Senator Landis from Lincoln, and to his left is Deb Fischer, Senator Deb Fischer from the greater part of western Nebraska, and Senator Fischer is the Vice Chair of the committee. And on my far left is Senator

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LB 209

Abbie Cornett from Omaha. Senator Wehrbein, I believe, will be coming along shortly. And to my left is Brittany Sill, the committee clerk, and to my right, substituting for our legal counsel today, is Anna Kroupa, my prestigious right-hand lady for the day. And I'm Senator Ray Janssen from Nickerson, Nebraska. We are going to hear four bills today. The first two will be committee bills, LB 209 and LB 210, and I will introduce those. Then we will have LB 405, and the last one will be LB 733. Senator Schimek will introduce LB 405 and Senator Bourne will introduce LB 733. With that, I am going to turn the Chair over to the Vice Chair, and I will introduce the first two bills.

SENATOR FISCHER: Thank you, Senator Janssen. I would open the hearing on LB 209. The introducer for this bill is Senator Janssen.

LB 209

SENATOR JANSSEN: Good afternoon, Senator Fischer, members of the committee. For the record, my name is Ray Janssen. I represent the 15th Legislative District and I'm here today to introduce to you LB 209. The committee introduced this bill at the request of the Department of Revenue. The department attempted to have the bill introduced as a revisor's bill, which means technical changes only. But we're advised that the amount of statutory language involved in the bill was a little too substantive for a typical revisor bill, so that's why we're doing it this way. The bill would clean up language in the charitable gaming statutes dealing with licensing requirements that are now obsolete due to a legislative change that has been fully implemented. So LB 1086, enacted in 2000, authorized biennially licensing for charitable gaming activities. The implementation was staggered over several years but that is now complete. Since all of the charitable gaming licenses are now issued on a biennial basis, an annual licensing reference in bingo, pickle cards, and lottery and raffle statutes should be repealed to minimize any confusion that may come up. A representative is here from the Department of Revenue to explain more to you, so I'll close here and ask if there are any questions that I could answer. I believe you will probably get a better answer from someone from the Department of Revenue, but I would take a stab at

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LB 209

it.

SENATOR FISCHER: Are there any questions for Senator Janssen? Thank you very much.

SENATOR JANSSEN: All right.

SENATOR FISCHER: Next, we will have the proponents for LB 209 please. If you would come forward and hopefully you filled out a slip that you can just put in the box there.

STEVE SCHATZ: Good afternoon, Senator Fischer, and members of the General Affairs Committee. My name is Steve Schatz, and I am the manager of the policy section of the charitable gaming division of the Department of Revenue. Due to some unexpected health-related circumstances, Jim Haynes, the director of charitable gaming and investigative services, is unable to be here this afternoon, and he asked me to testify on his behalf. We appreciate the opportunity to appear before you this afternoon and offer testimony on this bill, and we would like to thank the committee members for introducing LB 209 on behalf of the department. And my testimony is probably a little redundant to Senator Janssen's introduction, but in 2000, LB 1086 was enacted by the Nebraska Legislature, which provided for the biennial licensing every two years, of bingo, pickle card, and lottery raffle activities. The implementation of the biennial licensing was accomplished in a phased two-year period, which necessitated the retention of the annual licensing requirements during that transition. The implementation of biennial licensing was completed in 2002, however the various statutes relating to licensing still include references to annual licenses and corresponding annual license fees. These are obsolete provisions which should be repealed to minimize confusion. And as Senator Janssen indicated, we did contact the Revisor of Statutes Office to determine if the changes would be appropriate as a revisor's bill. We were advised that the amount of statutory language involved was too substantive for their office to handle as a typical revisor's bill, consequently we asked that the committee introduce us on our behalf. Again, we appreciate the opportunity to testify before you this afternoon, and respectfully request your favorable consideration of the bill. Thank you.

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LB 209, 210

SENATOR FISCHER: Thank you, Mr. Schatz. Does anyone have any questions for Mr. Schatz? Okay, thank you very much.

STEVE SCHATZ: Thank you.

SENATOR FISCHER: Do we have other proponents, please? No other proponents? Those that are opposed to LB 209; anyone wishing to be heard? Anyone who would like to testify in a neutral capacity? Seeing none, I would ask if Senator Janssen would like to close?

SENATOR JANSSEN: I'll just close, Madam Chairman, and open on the other one.

SENATOR FISCHER: Okay. Senator Janssen has waived his closing, so we will close the hearing on LB 209. Next on the agenda we have LB 210. Senator Janssen, would you give your opening, please?

LB 210

SENATOR JANSSEN: Thank you, Senator Fischer, and members of the committee. Again, I'm Ray Janssen, representing the 15th Legislative District, here to introduce LB 210. This bill was introduced at the request of the Department of Revenue, as the last one was, and has been described as nonsubstantive. I have a terrible time with that word. It would amend the Nebraska County and City Lottery Act by establishing the fiscal year of the county, city, or village at the time period to be evaluated to determine compliance with the minimum prize payout percentage, audit and legal expense limitations, and allow expense limitations for keno. Right now, Nebraska law provides to a July 1 to June 30 fiscal year at the time period that should be considered when determining whether there has been compliance with the minimal prize payout percentage and audit and legal expense limitations. No time period for determining the allowable expense limitation compliance is given in the statute. The dilemma is that counties, villages, and cities use different fiscal years based on population which are assigned in statute. This bill would require a compliance check based on the fiscal year that is already used by the county, village, or city. This would provide some consistency and it would be better to facilitate the Department of Revenue's

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financial review of county/city lottery or keno--those operations, especially since the department is in the process of adopting new regulations relating to reporting and compliance review of the county/city lottery operation. Again, a representative from the Department of Revenue will be here to explain the matter in more detail, so I will close and ask if you have any questions.

SENATOR FISCHER: Thank you, Senator Janssen. Do any senators have any questions? I see none.

SENATOR JANSSEN: Thank you.

SENATOR FISCHER: Thank you, Senator. Next, we will have the proponents for LB 210, please.

STEVE SCHATZ: Good afternoon, Senator Fischer and members of the General Affairs Committee. Again, for the record, my name is Steve Schatz and I am the manager of the policy section of the charitable gaming division of the Department of Revenue. And as I indicated on the previous bill, due to some unexpected health-related circumstances, Jim Haynes, the director of charitable gaming and investigative services, is unable to be here this afternoon and he asked me to testify on his behalf. Again, we appreciate the opportunity to appear before you this afternoon on LB 210. And we would, again, like to thank the committee members for introducing LB 210 on our behalf. As Senator Janssen indicated, LB 210 proposes to amend Section 9-629 of the Nebraska County and City Lottery Act, and establish the fiscal year of the county, city, or village as the time period to be evaluated to determine compliance with the minimum prize payout percentage requirement, the audit and legal expense limitation, and also the allowable expense limitation for county/city lottery. Current statutory provisions relating to the minimum prize payout percentage and the audit and legal expenses limitation are based upon a July 1 through June 30 time period. Section 9-629 does not currently associate a time period for compliance with the allowable expense limitation. Again, as Senator Janssen indicated, the department is currently in the process of making several changes to the county/city lottery regulations relating to county/city lottery audit and reporting requirements. The proposed regulatory changes established the fiscal year of the county, city, or village

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as the required annual period for audit and reporting purposes. Assuming these regulations are adopted, it would be preferable that the compliance requirements in Section 9-629 also be based upon the fiscal year of the county, city, or village. This would provide consistency and better facilitate our financial review of county/city lottery operations. Again, we appreciate the opportunity to appear before you this afternoon, and respectfully request your favorable consideration of this bill. Thank you.

SENATOR FISCHER: Thank you, Mr. Schatz. Do any senators have any questions? Senator Wehrbein.

SENATOR WEHRBEIN: You may not know this, and this is just an aside, but do you know, is there much variation in the fiscal years in counties, cities, villages? Have you worked with this?

STEVE SCHATZ: The metropolitan and primary communities operate on a different fiscal year than do villages and first- and second-class cities. First- and second-class cities and villages operate on an October 1 to September 30 fiscal year. Counties is based upon population. Those counties that have less than 200,000 population, I believe is on the July 1 through June 30 basis, and the other counties that are over 200,000 operate on a different time period. And then the metropolitan and primary, which is Lincoln and Omaha, they have a different fiscal year, as well.

SENATOR WEHRBEIN: So it adapts to what they're doing, and, you know, at least you have a basis for that. Thank you.

STEVE SCHATZ: The biggest share of the communities that are operating keno games right now, operate on an October 1 through September 30 fiscal year.

SENATOR FISCHER: Other questions? Seeing none, thank you very much, Mr. Schatz.

STEVE SCHATZ: Thank you.

SENATOR FISCHER: Are there other proponents to LB 210? Is there anyone that wishes to oppose this bill? Does anyone wish to testify in a neutral capacity? Seeing none, I would

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ask Senator Janssen if he has a closing. Senator Janssen waives his closing. With that, I will close the hearing on LB 210 and ask Senator Janssen to resume as Chairman, please.

SENATOR JANSSEN: Thank you, Senator. Senator Schimek is here to tell us all about LB 405. Welcome back to the General Affairs Committee, Senator Schimek.

SENATOR SCHIMEK: Thank you very much.

SENATOR JANSSEN: You were a long-time member of this committee.

SENATOR SCHIMEK: Well, for two years anyway (laugh).

SENATOR JANSSEN: Well, prior to that you also were. Prior to that. I remember.

LB 405

SENATOR SCHIMEK: (Exhibits 1, 2) Anyway, thank you very much. It is very nice to be here with you again and for the record my name is DiAnna Schimek. I represent the 27th Legislative District, the "historic district" and I come before you to introduce LB 405. This bill is actually an amendment to statutory language that already exists and that has existed, I believe, Senator Landis, since 1993 possibly. But it's a statutory framework for compacting with Native American tribes if and when it is allowable and it has to be in accordance with the federal Indian Gaming Regulatory Act. Now, this is not a gambling proposal. This doesn't have anything to do with gambling. I've actually introduced this bill...this is the fourth time and I believe the other three years I asked the committee just to hold the bill to see if it was going to be necessary if we needed to put it down on the floor if, indeed, we were going to pass any gambling bills at all. And on none of those occasions did it look likely. However, that turned out differently last year. But what I started thinking about just prior to the November election was the fact that we might not have the exact statutory language in place that we would like to have in case, I mean, what if Amendment 3 had passed or what if the ballot proposition had passed and we didn't have in

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place what we wanted and the tribes would come to the state immediately and ask to compact with the state. And so I think it's just probably good sense to have something there. There have been several court cases lately that make me think something could happen. Judicially, there's always a possibility of another initiative and I just think we ought to be prepared and ought not to keep people waiting. What this bill does is that it requires a written request from the tribe that wants to compact with the state. It requires the compact to cover such things as a renewal process if you want to renew the compact. Things like where the facility would be located, how long the compact would actually last, what should be the age of people who are allowed to use the facilities? In other words, what would be the mandatory minimum age. The number of gaming machines, reimbursement of the state for services that the state might provide such as security or road construction or whatever that might be. And the bill says that the Legislature by resolution can request renegotiation. It also provides a timeline of 180 days in which the governor and the tribes have to negotiate a compact. And then, finally, I guess, and what I consider to be pretty important is that the governor can execute the contract if the Legislature approves within ten days...they only have ten days to make a decision, and if they're in session. And then if they're not in session it gives that same power to the Executive Board but they have 30 days since they are out of session and as well as the Legislature. So it does give the Legislature and Exec Board some say in the process. Now, I would like to mention that some states have very little in their statutes that deal with compacting. Louisiana, for instance, relies on IGRA and if I could, I'd like the page to pass out...some of you that have been on the committee have already seen the language but this is the U.S. code on compacting. And I believe it's on page 11 of the information that has this. It's Section 2710(d)(3)(c) and it tells you any Indian tribe having jurisdiction over the Indian lands upon which a Class III gaming activity is being conducted or is to be conducted shall request the state in which such lands are located to enter into negotiations for the purpose of entering into a tribal state compact governing the conduct of gaming activities. And then upon receiving such a request the state shall negotiate with the Indian tribe in good faith to enter into such a compact. So the language is there in federal law. What we need is the language in state

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statute to facilitate this process. I also have a chart which I'd also like to have passed out that shows you just some of the kinds of things that are negotiated in compacts in the states that do have compacts. And you'll notice it tells you how many tribes in each state, who can compact with a tribe. It's not always the governor, the legal age to gamble in that state, department oversight, et cetera. So that's just for your perusal so that you can see what other states are doing. I guess, Mr. Chairman, I think that the tribes support this. I believe, I haven't even looked to see but there may be...the tribal chairman at least from the Santee tribe may be here today to testify in favor, yes he is. So that's all I have. If you have any questions?

SENATOR JANSSEN: Okay. Any questions? Senator Landis.

SENATOR LANDIS: Senator Schimek, if you were a member of the public, might you not from the outside...outside, look at this and say, we just had a vote of the people.

SENATOR SCHIMEK: Right.

SENATOR LANDIS: And on the heels of our flat rejection of that option, here's a little movement that contemplates the exact opposite of what we've just said we want as public opinion. And the reason I raise that for your reaction because I think there's a possible one is that is there not perhaps a more appropriate time for this idea after a couple of years have passed so that we break the linkage between the very first time out of the gate (laugh) after we get that message that contemplate the reverse of where we are now?

SENATOR SCHIMEK: I think that's a fair question and a good question and probably there would be some of that. But in response, I guess I would say, well, three or four years down the line might be too late.

SENATOR LANDIS: Um-hum.

SENATOR SCHIMEK: If there's going to be another initiative I would contemplate that it will be next year. And so I would think it would behoove us to have something in place before that possibility occurs. Additionally, we're not talking about something new here. We're talking about

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something that's already in statute. All we're doing is saying, well, if we're going to have this process, if it ever should occur then maybe there's some things we'd like to say about that process that aren't said quite as definitively as maybe we'd like them to be said.

SENATOR LANDIS: Thank you.

SENATOR SCHIMEK: But I understand, I understand the question perfectly.

SENATOR JANSSEN: Senator Fischer.

SENATOR FISCHER: Senator Schimek, if the language is already in federal law, why do we need it in state law?

SENATOR SCHIMEK: (laugh) That's a very good question. In 1988, when the federal government was passing this legislation, the federal Indian Gaming Regulatory Act, they were doing it because the court said essentially yes, the tribes have sovereignty. Yes, they are allowed to have gaming in a state. And if...and at that point the states went into an uproar wanting to have some say over the process. So the states were written into this regulatory act in that section that I just read you, saying that yes, the states do have to compact in good faith. And there's another provision in there about whether Class III gaming is already allowed in the state or not and Class III gaming is basically casino as we think of casino gaming not slot machine hall gaming. Okay? And so, I'm not sure if I answered your question.

SENATOR FISCHER: Why do we have to have it in the state law? Why do you think there is this urgency? As Senator Landis said, you know, we just...

SENATOR SCHIMEK: Oh, I'm sorry, I miss...

SENATOR FISCHER: ...we just had the vote on it so why do we have this urgency to get something in state law?

SENATOR SCHIMEK: Well, as I told you, I started thinking about this last year when we had two ballot issues and I was thinking well, if one of them passes we don't maybe have the kind of process in place that we'd like to have that's well

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enough defined. And that is the reason that I would say that we need it. I should mention, too, there have been some court cases recently which I haven't studied and I don't want to go into detail enough yet but I think there's some possibility, at least slight possibility that the courts might say that we already have Class III gaming in the state and if so, that's just another possibility. It's not anything you have to do certainly. I mean we could go along with what we've had. As I told you in the testimony, there's some states that don't have much language at all. They just use IGRA as their guideline. But I think that we want to have the Legislature involved in this process and if we want to have the Legislature involved in this process we really need to change the language.

SENATOR JANSSEN: Senator Cornett.

SENATOR CORNETT: Actually, this is kind of a multipart question.

SENATOR SCHIMEK: Go easy, not too many parts. No (laugh).

SENATOR CORNETT: Go easy (laugh). Well, when you were talking about...first of all, you know, I've received a number of phone calls against this. Matter of fact, I just hung up with someone from my area in regards to this bill. What exactly is the law in regards to Indian lands and trusts? If an Indian reservation purchases land outside the reservation, I believe there are a number of cases currently going on that if they purchase that land in trust then gambling could be permitted on that land. I'd received a couple of calls from...also from people in Omaha that there were tribes looking at the land just north of where the Venetian was looking at and if this went through...

SENATOR SCHIMEK: Was that the Carter Lake area, the alleged...?

SENATOR CORNETT: No, it was in Omaha. Just...

SENATOR SCHIMEK: Okay. I was going to say people have talked about Carter Lake but, of course, we know that's not Nebraska.

SENATOR CORNETT: Right. No, no, that's not Nebraska

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(laugh). But if it is ruled that we have Class III gambling already in the state which you did say was a remote possibility and these lands were...

SENATOR SCHIMEK: Very remote, probably.

SENATOR CORNETT: ...but these lands were purchased and placed in trust, would gambling be allowed on them which would bring gambling to the metro area?

SENATOR SCHIMEK: It could take me all day to try to answer your question. Something I really didn't even know until probably late last year is that we're what's known as a trust state.

SENATOR CORNETT: Right.

SENATOR SCHIMEK: Or a treaty state perhaps. But all of the land, the Indian lands in this state were established by treaty. Some of the lands that are often cited as being purchased for reservations are states in which there were no treaties defining the land and that's California primarily. And they're totally different from Nebraska; as I understand it, they're totally different...

SENATOR CORNETT: Well, then it brings the question, why would a reservation be looking at purchasing land...

SENATOR SCHIMEK: I have no idea but...

SENATOR CORNETT: ...to the north of Omaha?

SENATOR SCHIMEK: ...it has to be land held in trust since 1988...

SENATOR CORNETT: Since '88.

SENATOR SCHIMEK: ...and we have...I have to tell you we've discussed this and discussed it and discussed it on the floor of the Legislature and to date, to the best of my knowledge there have been only...I can't remember if it's, is it three? Three exceptions since 1988 to that law and those were...in one case it was a reservation that bought land right adjacent to its tribe, a little bit of land for some kind of an annex or something. And the other two, they

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were outright purchases in another part of the state but it's extremely rare to happen and you have to have the Secretary of Interior sign off on it and you also have to have the governor of the state sign off on it. It cannot happen without those two things primarily happening but there's a whole lot of other steps. It's an expensive process; it's a lengthy process. And it just doesn't happen. You can't just go out and buy land and have that happen.

SENATOR JANSSEN: Senator Schimek, what happens if the Legislature fails to vote before the deadline or in the case of the Exec Board, what happens then?

SENATOR SCHIMEK: Then it would just automatically, the governor would go ahead and sign the compact. In that case, the Legislature as a whole or the Exec Board has chosen not to take the option.

SENATOR JANSSEN: Then the Governor...

SENATOR SCHIMEK: Then the Governor...

SENATOR JANSSEN: ...has to...

SENATOR SCHIMEK: ...can go ahead and execute the compact.

SENATOR JANSSEN: ...okay, all right. Senator Wehrbein.

SENATOR WEHRBEIN: Yes, well I was going to ask about that too because it says on page 3 on line 26 for approval or rejection...

SENATOR SCHIMEK: Right.

SENATOR WEHRBEIN: ...for the Legislature but it doesn't have that same wording on Exec Board and I don't know. I'm not a lawyer but I wondered if that, part of that ought to be clarified?

SENATOR SCHIMEK: Probably so. What page?

SENATOR WEHRBEIN: The bottom of page...on 27.

SENATOR SCHIMEK: Three.

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SENATOR JANSSEN: Twenty-six and line twenty-seven.

SENATOR SCHIMEK: Okay.

SENATOR WEHRBEIN: Twenty-six. For approval or rejection. It looks like the Legislature has to say yes or no but the Exec Board doesn't have...it just says approval. Like I say, I'm not an attorney but it looks like sometimes...

SENATOR SCHIMEK: I think you're right, Senator Wehrbein, now that I look at that. I think it should be consistent.

SENATOR WEHRBEIN: Yeah, and I...

SENATOR SCHIMEK: Yeah, I agree. And that was an oversight on my part.

SENATOR JANSSEN: Senator Erdman.

SENATOR ERDMAN: Welcome back, Senator Schimek.

SENATOR SCHIMEK: Thank you.

SENATOR ERDMAN: It's a pleasure to see you in front of the committee. As I review the statutes or the handout that you gave us in which other states...who is responsible, I guess, in other states for compacting...

SENATOR SCHIMEK: Um-hum.

SENATOR ERDMAN: ...not one of them has their legislature with that authority. There's only two states that have somebody besides the governor, their designee, and they are in Iowa where it's an individual responsible for the regulation of the gaming industry. And I believe that's also the case in any other state. I don't remember exactly. What is the compelling reason for us to...

SENATOR SCHIMEK: Well, the governor would still be compacting. He'd still be the one or she, would still be the one executing the compact. And this would just provide some legislative oversight. There are other states that do have legislative oversight. We just didn't happen to track that particular provision.

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SENATOR ERDMAN: Okay.

SENATOR SCHIMEK: This particular spreadsheet has sort of evolved over a couple of legislative aides and so Hong Pham started it and I think Nick has been working on it since he came on board. But we just didn't track that particular issue.

SENATOR ERDMAN: Great, thanks for the clarification.

SENATOR JANSSEN: Any other questions? Seeing none, thank you, Senator Schimek. We'll take proponents for LB 405 first. Those in favor of the legislation.

ROGER TRUDELL: Good afternoon, Chairman Janssen,...

SENATOR JANSSEN: Good afternoon.

ROGER TRUDELL: ...honorable committee members, staff. I came as a proponent of LB 405. I think there's, know the proposed changes are good.

SENATOR JANSSEN: Excuse me, would you state your name?

ROGER TRUDELL: Oh, pardon me, my name is Roger Trudell, T-r-u-d-e-l-l. I'm the chairman of the Santee Sioux Nation...

SENATOR JANSSEN: Thank you.

ROGER TRUDELL: ...which is in the northeast corner of Nebraska. I came as a proponent of LB 405. I believe, you know, the intentions are to, you know, clarify some of the compacting issues with the state and also, you know, fully realizing that, you know, we have certain types of gaming under Indian Gaming Regulatory Act that are not compactable by the state but should, you know, the opportunity arise to have Class III or casino-style gaming, you know, recognized legally, I guess, then this would afford an opportunity for the tribe to compact with the state. I additionally see, you know, the compacting issue overall as, you know, a tribal state and relationship building. There are other areas that we compact with the state and I just see this as a continuation of that for the improvement of relations

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between the tribes and the state. Thank you.

SENATOR JANSSEN: Any questions? Senator Landis.

SENATOR LANDIS: Mr. Trudell, are there elements to the bill that advance the interests of Native Americans or is it just as...be helpful to have the rules clear? My understanding is that we already have a statute or we have some basic law. Is there something about this bill that protects your interests better than where you are now?

ROGER TRUDELL: Well, you know, from what I read in the bill, in the statutes originally, this is just more defining who could sign the compact for the state. And I think as far as protecting the interest of the tribe, Indian Gaming Regulatory Act, you know, establishes under what parameters, you know, he can operate and so forth.

SENATOR LANDIS: Um-hum. I'd interpret that, Mr. Trudell, to be something like what gets clarified is the process on the other side of the table from the tribe's. It's from the state government side and it helps them figure out what their practices and deadlines and timelines are going to be and that that's the chief virtue of the bill. Would that be a fair characterization?

ROGER TRUDELL: That's a fair assessment and I believe, you know, a good reason for it is I think several years ago in Kansas the governor did sign a compact of the tribes and then the state legislators challenged the governor's ability to sign compacts. So I think this would, you know, clarify for both the governor and the Unicameral.

SENATOR LANDIS: So the tribes would know better that the people that they were dealing with across the table had the legitimate right and what the rules of the game were on the other side of the table. Would that be...I'm trying to...

ROGER TRUDELL: Correct, uh-hum. Correct.

SENATOR LANDIS: ...yeah, okay. I got it.

SENATOR JANSSEN: Any other questions? Seeing none, thank you for being with us today, Roger.

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ROGER TRUDELL: May I address one other issue?

SENATOR JANSSEN: Oh, okay.

ROGER TRUDELL: And it pertains to the question on land into trust off reservation.

SENATOR JANSSEN: Oh, okay. Sure.

ROGER TRUDELL: There are procedures for placing land into trust off the reservation and the further off that you place land into trust, the more difficult it is to do that. And you cannot, at the present time, acquire land off the reservation specifically for gaming purposes. We have ourselves, you know, bought land off the reservation. We're currently in the process of trying to put that into trust and what it is a commercial enterprise just south of Yankton, involves about four-and-a-half acres. It's a convenience store, truckstop and we're in the process of that. And there is also other ways to, you know, we're negotiating...and in lieu of taxes with Cedar County at the present time so you can...the tribes can acquire land off reservation and put into trust. But there are defining procedures to do that. Thank you.

SENATOR JANSSEN: In other words, there would be...you can have land held in trust but for gaming it would have to be prior to 1988...

ROGER TRUDELL: Correct, correct. A tribe cannot, at this time, you know, acquire land and put it into trust off the reservation solely for the purpose of gaming.

SENATOR JANSSEN: Okay, all right.

SENATOR CORNETT: But...I'm sorry. When you say...

SENATOR JANSSEN: Oh, sure.

SENATOR CORNETT: ...just a real quick question. When you say solely,...

ROGER TRUDELL: Yes.

SENATOR CORNETT: ...if you purchase the land by Yankton,

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South Dakota, four-and-a-half acres, the convenience store is there, this passes and you would be allowed to have gambling. Would you be able to have gambling at that location then?

ROGER TRUDELL: Not unless it was negotiated with the state.

SENATOR CORNETT: Okay.

ROGER TRUDELL: The state would play a definitely role in...

SENATOR CORNETT: Even though it had been purchased for a different reason in the beginning.

ROGER TRUDELL: Right, right. We would have to come back and, you know, it would have to be negotiated with the state and the compact or whatever so it's very difficult to, you know, put land into trust to start with, number one.

SENATOR JANSSEN: Okay, any other questions? Seeing none, thank you, Roger.

ROGER TRUDELL: Thank you.

SENATOR JANSSEN: Did you put your sign-in sheet in the box, please? There you go, okay.

ROGER TRUDELL: Thank you.

SENATOR JANSSEN: Thank you. Next proponent. Any other proponents? Any opponents?

PAT LOONTJER: Good afternoon. I'm Pat Loontjer and I'm the director of the anti-expanded gambling group, Gambling with the Good Life.

SENATOR JANSSEN: Would you spell your name, last name for...?

PAT LOONTJER: L-o-o-n-t-j-e-r.

SENATOR JANSSEN: Thank you, Pat.

PAT LOONTJER: Gambling With the Good Life is a grassroots organization that has been in existence since 1995 and we

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have been down here every year since then, offering the voice of the people that we are opposed to any form of expanded gambling. So I'm here today to not only address LB 405 but also LB 733 if I could. Last year as you know, we went through a tremendous battle because something did go through the Legislature and all through the petition process to offer expanded gambling in the form of slot machines and casinos. And within five months we had organized and we formed the largest coalition that this state has ever seen. Basically, every church in the state of Nebraska was part of the coalition, businesses were part of the coalition, civic organizations, political leaders, many of the state senators themselves, Tom and Nancy Osborne, Warren Buffett came out opposed to any form of expanded gambling. And that was the first time that he has ever done anything like that. I believe that you've all received a copy of the CD. If not, I have some extras with me today. This has gone national, by the way, and our story has gone international. The success that we had in Nebraska. And the people have spoken. They've spoken loud and clear and the answer is no. And we have to ask ourselves why. You know, we were up against almost \$8 million of Nevada gambling money. And we were outspent 20, 25 to 1 and yet the people saw the truth and they voted no resoundingly because the truth is that for every one dollar a state gains in gambling revenue it's going to cost you three dollars in social costs and that's a proven fact. It will bring us what we call the ABC's of gambling. It will bring addictions, it will bring bankruptcies, it will bring crime, and it brings divorces. And this is not something that we want to represent the good life of the state of Nebraska. In Iowa, our neighboring state, which is the state that is usually referred to as all the money is going to which is a myth. They have a huge deficit. I believe the letter that we sent to you, you know, accompanying the DVD showed the newspaper articles about what is happening in Iowa...and not necessarily totally as a result of the gambling there but certainly it contributes to it. They led the nation in increased bankruptcies at the last census, the Council Bluffs area with three largest casinos in that state. Council Bluffs also raised their taxes three times since those casinos went in. And Iowa tripled their addiction rate, 150,000 addicts in the state of Iowa. This is nothing that we want to see come to the state of Nebraska. And the bill regarding LB 405 I question why either one of the senators who are

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proposing either LB 405 or LB 733 would do that at this time much like what Senator Landis spoke about. The people have spoken and they've spoken very loudly. And I want to say to those senators, what part of no don't you understand? The answer is no. The people of the state of Nebraska do not want expanded gambling in any way, shape, or form. LB 405 as we see it is totally unnecessary, you know. There are federal laws in existence that would take effect if and when we did decide to change our Constitution to allow Class III gambling. Senator Schimek said that she had for many years held this bill. I think this bill should be held indefinitely. There is no need for it. It's just going to cause the voters and your constituents to wonder exactly what Senator Landis said, why are you doing this again? What part of no don't you understand? All I see as far as that being housekeeping measures would be if in the event that the Class III gambling was approved and the Constitution was changed was that it would just be a quicker way for us to jump over the cliff instead of going through the process that the federal government allows. So I see it as totally unnecessary. The other bill, LB 733, which we've seen in some way, shape, or form for many, many years here is back to the myth of a mechanical dispensing device.

SENATOR JANSSEN: Pat, would you stay on the bill we're on right now?

PAT LOONTJER: Okay. You don't want me to testify to...

SENATOR JANSSEN: You can testify...

PAT LOONTJER: ...both of them at the time.

SENATOR JANSSEN: ...no, no, no. One at a time.

PAT LOONTJER: Okay, okay. Then I will come back and testify on LB 733 then.

SENATOR JANSSEN: That would be fine.

PAT LOONTJER: So I want to leave, if I could, these brochures. If there's anyone that did not get a copy of the DVD I'd like to leave that also and I will testify again for the next bill (See also Exhibit 3).

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SENATOR JANSSEN: Okay. That would be fine. Any questions? Seeing none, thank you. Next opponent, please.

AL RISKOWSKI: Al Riskowski. It's R-i-s-k-o-w-s-k-i with Nebraska Family Council in opposition to LB 405. Our concern is in regard to families, of course, and we have been in existence since 1988 defending traditional family values. And it is important to us to see families strengthened here in the state of Nebraska. And anything that even smells of the fact that it could hurt Nebraska families we want to speak up against. This bill, LB 405, is quite complex and encompassing. A number of individuals that I have contacted here at the state Capitol as they read this compact have many questions and many concerns, one of which was brought up, the ten days in which state legislation has in which to make a decision and any compacting that may be negotiated is an extremely short period of time for a state legislature. You know how quickly things do move here and they are not that fast. And so that is just one of the aspects of LB 405 that I believe is of great concern and needs to be looked at. It is our hope that expanded gambling will not take place here in the state of Nebraska. And I believe it is very interesting that a representative of the Santee Sioux Reservation is here because they do have unemployment of, as I have read, almost 74 percent, that the people of Nebraska should conclude that such an employment rate is alarming. And I'm aware that our former governor, Mike Johanns, and other state officials have met with leaders of the Nebraska tribes in an attempt to find a solution for the support of education, economic development, and health issues on our reservations. But the question that must be answered in each of our minds is this: Does gambling bring the solution of the above-stated problems and to me the answer is obvious. No, it does not. I want to go to just quickly one personal comment from Myron Long Soldier who has lived on the Pine Ridge Reservation and has seen the negative side of gambling on his own reservation. He said he has seen increase in alcohol, drug, and gambling problems. He has seen an increase of monies for new schools and day-care yet there is a continued erosion of the family. Money alone is not the answer and the integrity of the Native Americans I believe is at stake. Myron agreed with me that the answer for Native Americans is not found by betting on losers through gambling. There are better solutions. And I

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believe that those solutions need to be found for our reservations but expanded gambling is not the answer. So just in closing, I'd like to just, again, remind the state senators that Nebraska voters spoke overwhelmingly in 2004 election. All expanded gambling proposals were soundly defeated and the people were given the right to vote on expanded gambling and the state senators should respect their decision. It is my hope that LB 405 will not be voted out of committee so thank you.

SENATOR JANSSEN: Senator Landis.

SENATOR LANDIS: Al, just a question because I'm intrigued and it's not on the bill. Your organization, does it take a position on the minimum wage?

AL RISKOWSKI: No, sir, it did not.

SENATOR LANDIS: The reason I'm...I think the notion of the defense of families is a rather important idea. I rather think there's a right area of agreement and I think gambling represents a threat. To me, probably the greater threat for Nebraska families is the inability to piece together a family that works economically. We used to have jobs that you could have one job and run a family. We don't have those kinds of jobs anymore. And we pull the family apart I think economically and particularly with single women who have children who are in minimum wage jobs. I can't think of something that's more important to family well-being than the underlying structure which is why I was asking. Do you have a position on the economic well-being of families as well as the questions like this like gambling.

AL RISKOWSKI: We have, Senator. I have not worked on an Indian reservation in regard to that but we have been working very closely, actually, with the Spanish community here in Nebraska trying to find solutions, joining up our Attorney General, joining up our former governor, Mike Johanns and other officials, INS, and others to try and look for solutions in their families because the economic pressures is creating many problems for them. We're finding that and we're getting a little off the subject but...

SENATOR LANDIS: We are, I know.

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AL RISKOWSKI: ...in the Spanish community you get one individual who comes, say the father who thinks he's going to make \$10 an hour, \$9 an hour and he can support his family on that.

SENATOR LANDIS: Right.

AL RISKOWSKI: And before you know it, Mom has to go to work because you cannot do that here in the United States and now the children don't have the support they need at home. And there are...a real spiraling problem that's taking place. And we've been working in regard to that.

SENATOR LANDIS: That answers my question. Thank you.

SENATOR JANSSEN: Okay. Thank you, Senator Landis. Any other questions? Seeing none, thank you for being with us today, Al.

AL RISKOWSKI: Thank you.

SENATOR JANSSEN: Next opponent.

LYLE JAPP: Good afternoon, Senators, Chairman. My name is Lyle Japp. I'm from 1505 South 97th Street in Omaha, Nebraska. I'm here as, I would say, as a part of Gambling With the Good Life but I'd rather say that I'm here representing the welfare of the state and helping to keep the good life of Nebraska. I've got a four-piece sheet of paper here. I'm not going to read all of it. I'm going to read a part of it and I hope that there's enough in this that as I leave the four sheets with each one of you that you will take the time to read it. This is about a family in Kansas and I'm only going to read one portion of this family. But it's called the True Face of Gambling. Last year was winding down on a chilly day, December 29 in rural Kansas. David sat by his father's grave warmed by a leather coat that his dad had left him. He wrote a note to his beloved wife. It was Sunday and she was with her family celebrating a late Christmas. They had been with David's family celebrating only four days earlier. His note reasoned that if his family knew the pain, the desperation and shame he woke up with every morning they would not want him to go on. David was a licensed counselor with a master's degree who manned gambling and suicide hotlines.

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He was an experienced social worker who routinely talked addicts through their toughest moments. Only the day before he and his wife had doggedly supported him through his secret gambling addiction, had gone to Harrah's, operators for the Prairie Bend Pottawattamie Indian Nation Casino. So Harrah's is behind these things. There he underwent the voluntary humiliation of fingerprinting and paperwork that would ban him from the casino for life. This Sunday morning he woke feeling terrible. He persuaded his wife to visit her family without him. Though he had an immediate family of professionals who loved him dearly, two nurses, a physician, and an attorney, he was trying to make it on his own. He wanted to fight the monster in secret but he couldn't. Sometime during that day he went to the Golden Eagle Casino, a bit beyond Harrah's. He lost again. He traveled to St. John's, the small Kansas farm town where he had grown up and where his father he revered was buried. He took his shotgun, a memento from brighter days with his dad and his only firearm, he put the gun in his mouth and pulled the trigger. That's why I'm opposed of anything just even smells that brings anything closer and so I am opposed to LB 405. Thank you.

SENATOR JANSSEN: Any questions? Seeing none, thank you for being with us today, Lyle. Any other opponents? Any other opponents? Anyone in a neutral capacity? Seeing none, Senator Schimek to close.

SENATOR SCHIMEK: Yes, thank you, Mr. Chairman and members. For the record, again, my name is DiAnna Schimek. I represent the 27th district. I very much appreciate the sincerity of the people who have come to speak against this bill. But they came to speak about gambling and this is a bill about process. And I believe that well, first of all, if I was one of those senators who did not go along and appreciate what the voters had said, I would have been back here with the bill to establish a casino somewhere in the state or something. I mean, this is not a gambling bill. The voters have spoken. We listened and there won't for my part anyway be anything like that. But there are a couple of things, a couple of reasons why I think you really do need to look at this bill. It does have to do something with the integrity of the process and the integrity of the Legislature. This bill has the ten days written into it because there's also a 180-day timeline written into the

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bill. That's so negotiations can't be carried out indefinitely so nothing ever happens. And during that 80-day period there would be naturally occasion for the Legislature to know what was going into that compact process. So this wouldn't be like a bill that has to go through all the stages of hearings and so forth. It would be something that you would debate and discuss on the floor of the Legislature and pass within ten days so as not to prolong the period or the process. It also says in this bill that we believe if there is going to be a compact you need to address such things as minimum age. For instance, over in Iowa they forgot to do that. We think that's important. There may be some other things the committee thinks is important that ought to be in here but these were at least what in the course of some time I've come to believe were most important. This is a bill about process. It's not about gambling and I kind of am amazed that people will come in here and talk about this as an expansion of gambling. We already have a compact process on the books. All this does is perhaps update it and improve it.

SENATOR JANSSEN: Thank you. Roger.

SENATOR WEHRBEIN: What would happen that this bill would kick in? What kind of scenario would it be?

SENATOR SCHIMEK: If this bill would kick in?

SENATOR WEHRBEIN: Yeah, this is probably repetitive but...

SENATOR SCHIMEK: Nothing would happen unless some kind of an initiative on the ballot that allowed Class III gaming passed.

SENATOR WEHRBEIN: It would have to be a constitutional amendment?

SENATOR SCHIMEK: Yes, it would unless, as I said to you, there has been at least one court case that I know of where...and I don't know if the circumstances are the same at all or not, where the court has said that basically the lottery is Class III gaming. But I haven't read the court case. I don't know enough about it to really talk about it. But I don't know what's going to happen in the future and I just would like to be prepared in case it does.

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SENATOR WEHRBEIN: Can the federal government unilaterally force us...

SENATOR SCHIMEK: To compact? Well, federal law says that we don't...it is not necessary for us to compact unless the tribes ask us to compact and unless that style of gaming Class III is already in the state so...

SENATOR WEHRBEIN: Okay.

SENATOR SCHIMEK: ...I don't believe so. Now, could we be taken to court if we don't compact under those two conditions? Yeah, I believe we could or at least the federal government could maybe give the tribes, and you'd have to ask somebody more authoritarian or authoritative than I am (laugh). Maybe the federal government could go ahead and get permission without us in that case. I believe they might be able to...

SENATOR WEHRBEIN: Well, as I read the introduction here to me as, I'll call it laymen having, you know, obviously been involved in the debate. It isn't clear when this could or could not kick in. I'm wondering if it would be appropriate to have some kind of language early on to clarify that this is only in case of da da da de da or whatever. Once again, as I read it it just simply says, defines the state and so forth on the top of page 2 and it almost, and then there's a written request which I think is good but it almost implies...

SENATOR SCHIMEK: It does...

SENATOR WEHRBEIN: ...it almost implies that once this is passed, go ahead. Well, we know there's a lot of conditions that...

SENATOR SCHIMEK: No because if you'll look at the statutory language that already exists it references 25 USC 2710 of the federal Indian Gaming Regulatory Act. That's in paragraph two on page two.

SENATOR WEHRBEIN: Okay, I see that, okay.

SENATOR SCHIMEK: So it's already there if, you know...

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SENATOR WEHRBEIN: Okay.

SENATOR SCHIMEK: ...if something like that should happen and we didn't do anything with this bill, there's enough language there that it could still happen. We just wouldn't have any deadlines or we wouldn't have any say in it either.

SENATOR WEHRBEIN: There would be no process is what you're saying.

SENATOR SCHIMEK: Yeah, yeah.

SENATOR JANSSEN: Senator Erdman.

SENATOR ERDMAN: Senator Schimek, I guess just a clarification of what you were talking...

SENATOR SCHIMEK: Yes.

SENATOR ERDMAN: ...with Senator Wehrbein about. In the event that the tribes would request to negotiate with the state for a compact, under federal law we are obligated to negotiate.

SENATOR SCHIMEK: Yes.

SENATOR ERDMAN: In the event that they do not request to negotiate, what is the procedure?

SENATOR SCHIMEK: Then we're not obligated to compact.

SENATOR ERDMAN: And then...

SENATOR SCHIMEK: And, in fact, there are states in which Indian tribes do not wish to compact with the state, do not wish to have gaming on their tribal lands.

SENATOR ERDMAN: So if they are not...under the federal law if they do not compact with the state...

SENATOR SCHIMEK: It's their choice.

SENATOR ERDMAN: ...they're not allowed to engage in gaming or they're allowed then to go to IGRA...the federal

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government under IGRA.

SENATOR SCHIMEK: No, no. I think the only time that could happen possibly and I'm not clear on this. The only time it could happen is if we refused to compact with them and then it could possibly go to the federal government. But, no, it's the tribe's right to decide if they do or do not want gaming on their own lands.

SENATOR ERDMAN: Right. I was just...

SENATOR SCHIMEK: Or in deference to my friends back there gambling, okay?

SENATOR ERDMAN: I was just clarifying to make sure because it led me to believe that they didn't necessarily have to compact with the state and could then engage in gaming as some would call it; gambling as I would call it. But I think the way that you have explained it is accurate and so I just wanted to make sure that was clear.

SENATOR SCHIMEK: And, again, if you go to...I think it's page 11 in here, I've got it marked with a little...it very definitely says that the tribes shall request and that the state upon receiving the request shall negotiate. But if they don't ever request, that's it.

SENATOR JANSSEN: Any other questions? Thank you, Senator Schimek, for being with us today.

SENATOR SCHIMEK: Thank you. Thank you very much. It's a pleasure to be with you again.

SENATOR JANSSEN: That ends the hearing on LB 405 and the next bill we'll hear is LB 733. Senator Bourne I believe is here.

LB 733

SENATOR BOURNE: Good afternoon, Senator Janssen and members of the General Affairs Committee. My name is Pat Bourne, B-o-u-r-n-e, and I represent the 8th Legislative District in Omaha, here today to introduce Legislative Bill 733, which authorizes the use of electronic pickle card devices. The

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purpose of this bill is to give charities the ability to compete with other forms of gaming by utilizing modern technology. Keno, the state lottery, and casino gambling in Iowa continue to erode the ability of charities to raise funds. In the past ten years, pickle cards proceeds, that's proceeds that go directly to charities, have decreased by 66 percent. I'm passing out some information from the 2004 Charitable Gaming Report that illustrates this decline. (Exhibits 4, 5, and 6) I should say the page is passing that information out. LB 733 does not create a new form of gaming. The game played with an electronic pickle card device is identical to the game played with paper cards, and an electronic device either reads a bar code on the pickle card and determines if it is a winner or allows the player to open the card by moving a finger across an electronically displayed image. Under this bill, an electronic pickle card device would be prohibited from dispensing cash, coins, tokens, or from accumulating credits. The machine would dispense either an actual pickle card or a paper ticket. Winning cards have to be redeemed on the premises. LB 733 would limit each location to two electronic devices. The devices would be allowed only at an organization's designated premises, it's regularly scheduled and limited period bingo, and at the premises of a pickle card operator. I introduced this bill in 2003, and in 2003 the committee did advance the measure, however at the time we were consumed with debate on budget shortfalls and the bill was never discussed. However, in that time, pickle card proceeds decreased another...and, again, pickle card proceeds are proceeds directly to charities...decreased another 8.1 percent, or \$5 million. Our charitable organizations, American Legions, churches, youth organizations, in my opinion need LB 733 in order to continue to raise funds for their many worthwhile community betterment projects. I do want to mention that the fiscal note you currently have...it's published on the Internet...has been updated. I think the numbers are pretty close, but I wanted to make sure that the committee had the current Department of Revenue numbers. With that, I would try to answer any questions you may have.

SENATOR JANSSEN: Thank you, Senator Bourne. Any questions?
Senator Wehrbein.

SENATOR WEHRBEIN: I assume the idea behind this really is

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to increase the speed?

SENATOR BOURNE: I think that's a fair characterization. I think that also, and hopefully there are some charities here today, although I didn't do a very good job of reminding them of the hearing today, but hopefully there are some charities here that will speak in support of it. I think they're trying, quite honestly, to make the pickle card a little more attractive in the face of the allure of, say, casino-type gaming. But I think speed is certainly a component, Senator.

SENATOR WEHRBEIN: Thank you.

SENATOR JANSSEN: Senator Bourne, the organizations that have these pickle cards, can you explain to the committee a little bit about where those proceeds go, what...who they help?

SENATOR BOURNE: Well, it's all charitable organizations, so...you know, it's been awhile since I've gone through the whole issue, but there is no...I see a huge distinction between this type of gaming and, say, the casinos, because this money...all proceeds go to directly...you have to be a charitable organization in order to even sell pickles. In my area, we have a...Benson Little League is a pickle card retailer, I guess for lack of a better word. And that money goes to fund the Little League for the kids up in North Omaha. Little Vikes is a football team in the Florence area; they are big into pickles. But, again, it has to be a charitable organization for you to even sell these pickles, so...and the charities have seen their proceeds from this type of gaming decline significantly over the past few years.

SENATOR JANSSEN: For the committee's information, do you remember, or can you tell me or us how long pickle tickets have been in Nebraska?

SENATOR BOURNE: Oh, it's been...I would...in excess of 20 years. I want to say it was sometime in the '80s. I mean, so again, you know, I will absolutely agree that this does speed up the using of pickles, and quite honestly I don't understand the allure of pickles, but the charities sure swear by them because it does bring some needed revenue

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to them. But it's been around for 20 to 30 years, I would guess.

SENATOR JANSSEN: Any other questions? Senator Erdman.

SENATOR ERDMAN: Senator Bourne, the charities that you mentioned, specifically the Little League and the Little Vikes, they're organized as a nonprofit organization? They have a formal...are they a 501(c)(3), or how are they...?

SENATOR BOURNE: You know, I can tell you specifically the Benson Little League is a 501(c)(3).

SENATOR ERDMAN: So that any donation made to them may be tax deductible?

SENATOR BOURNE: I don't know if that's how a 501 works. I know it's a charitable organization. I don't know if it's a tax deductible, but...

SENATOR ERDMAN: It would seem logical to me, and I'm just thinking out loud. I am going to oppose your bill like I have the last four years, but it would seem logical to me that an organization that was situated, in a fact to accept donations that would be tax deductible would be a more logical way to go about funding Little League programs or charitable events, but I'm just thinking out loud.

SENATOR BOURNE: Sure. And give me some examples of how they might do that.

SENATOR ERDMAN: Well, I'm not...I'm just thinking about how that might work, and I don't know exactly how you have to be organized to do that, but I'm just looking at the fact that if I were an individual looking to support groups, I would be...of course, I'm probably the unique person in the state that doesn't gamble...but I would be more willing to give a donation than to say, well, I know that if I go support my whatever habit, then I would be able to give that proceed to them.

SENATOR BOURNE: Well, I appreciate that, Senator.

SENATOR ERDMAN: I'm just thinking of alternatives in the event that LB 733 doesn't pass.

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SENATOR BOURNE: Sure. One thing I'll tell you is that, specifically, just because I'm aware of this organization, the Benson Little League has been around for about 40 years and it represents an area of North Omaha that's actually quite poor. And they have bake sales; they wash cars; they clean parks; they do about everything that you can imagine to raise money. I don't know how much money they make from these pickles, but if you talk to those folks up there, that this is the difference between surviving and not. And they do have a program...and, again, I just am familiar with this organization and I'm not saying all the other people that receive pickle proceeds are as altruistic...but they have a program where kids from North Omaha can play baseball for free because of this pickle program. They have a program where the kids who can't otherwise afford it are given uniforms because of pickle proceeds--shoes to play baseball; gloves, bats, things of that nature. So, I mean I would say to you, they've tried, in my opinion, numerous ways of making money, and this is just one component of their being able to provide something pretty necessary, in my opinion, to the North Omaha community.

SENATOR ERDMAN: Well, and I'm not...my comments are not designed to question any of that. I mean, I think that's a fantastic opportunity and obviously they have to be as resourceful as possible. I was just adding comments.

SENATOR BOURNE: Thank you.

SENATOR JANSSEN: Any other questions? I don't see any, thank you.

SENATOR BOURNE: Thank you.

SENATOR JANSSEN: Proponents? Do we have any proponents?

JEREMY DAMGAARD: Good afternoon.

SENATOR JANSSEN: Good afternoon.

JEREMY DAMGAARD: My name is Jeremy Damgaard, D-a-m-g-a-a-r-d. Thank you for the opportunity to talk to you guys today. I am a proponent for LB 733. I represent Precision Distributing. We are a licensed charitable gaming

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distributor. And I will try not to reiterate what Senator Bourne has said. But he speaks the truth. Charities in the state are...have taken a real hit, especially on the pickle side, but also bingo. Reasons, I guess, for passing this bill are many. The current use of bingo card monitoring devices in bingo halls has greatly assisted the bingo halls in basically from ceasing operation altogether. And I guess it's maybe in all fairness to allow the pickle card charities to do the same. And charities' operators, in general, have seen increases in sales with pickle cards when dispensing devices have been put in. Dispensing devices are legal for use currently in the state of Nebraska. Dispensing like this: no. But nonetheless... And a great many people benefit from the passing of this bill, from the manufacturers, one of which who is located right here in the state, the distributor, Nebraska Charities, of course, the operators who are all Nebraska businesses, and of course the state tax revenue. I believe the tax revenue from pickle card sales has dropped by \$3 million over the past 10 or 11 years, probably more now. As you can see, a lot of this money stays in the state--a great deal of it. Are these reasons good enough? I really don't know. I like to think they are. This is the question of constitutionality of a device like this. And I believe it was in the year, I think February 2000, there was a General Affairs,...I'm sorry...

SENATOR JANSSEN: Attorney General.

JEREMY DAMGAARD: Attorney General Opinion stating that one of the devices proposed in the bill is constitutional and that the Legislature, should they choose to, may allow out. These devices are not slot machines. They do not open the door to slot machines. They are dispensing machines. We're not changing the way pickles are being played; we're adding to the entertainment value. They're marketing. And businesses, charities, they need to market their product in a way to increase sales. The player receives tangible evidence that they played the game and they have to redeem winnings to a cashier, of course. As Senator Bourne said, these machines do not distribute money. They do not accumulate credits. These devices add higher standards of integrity. They add needed security to the game of pickles. Some of you might be aware of the cheating that has gone on with pickle cards. There have been individuals who have altered pickle cards in a way to cheat charities. And these

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devices add some security. As a licensed Nebraska charitable game distributor, we have always done a lot of business in this state. We do do business in other states, of course, but the majority of our business has always been here. That is no longer the case. And it sounds like I'm coming from a selfish point of view, being a business owner, but I do care what happens to the charities in this state, not purely for selfish reasons. I've seen firsthand what these organizations do for children, do for the community. They do some wonderful things. And, yes, it is from gaming dollars. But we have had to look to other states for, unfortunately, to keep our business from shutting down altogether. And it's...we opened our business purely to serve the charities in Nebraska. It is required by law that we locate here if we want to do business here, which, unfortunately, as I've said, we've had to look elsewhere for business. That's...this issue is very personal to me. My father has sat in this same chair before for this very same reason, and due to health issues he is not here today. And this would be, I guess, in short, a good thing, and I know some will not agree with me on this. This would be a very good thing for charities, for businesses in Nebraska, and for the state, through tax revenue. Thank you.

SENATOR JANSSEN: Okay, thank you, Jeremy. Do you have the dispensing machines now?

JEREMY DAMGAARD: Yes. In fact, we would happily...

SENATOR JANSSEN: I mean the manual dispensing machines, where you...

JEREMY DAMGAARD: Yes. Yes.

SENATOR JANSSEN: ...put a dollar in and you pull the...

JEREMY DAMGAARD: Yes.

SENATOR JANSSEN: ...like an old cigarette machine used to be. Tickets fall out the bottom?

JEREMY DAMGAARD: Yes, sir.

SENATOR JANSSEN: So you could...is there any maximum on them? Can you put as many dollars in as you want...

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JEREMY DAMGAARD: Yes.

SENATOR JANSSEN: ...and get as many tickets as you want?

JEREMY DAMGAARD: Um-hum.

SENATOR JANSSEN: Actually, the only difference then between this and the other one is you don't have to peel the tab off, am I right? You do this with your finger or something to that effect?

JEREMY DAMGAARD: There are, I believe, two devices, two different...there is a severability clause in the bill, I believe. I will not...saying things that isn't true, but I believe the severability clause is in there. There are two devices, one of which is like you said, there is a ticket printed at the time of play that gives the player tangible evidence that they have played the game. The other device does dispense an actual pull tab that you must open it to redeem, but it also offers a video display of the ticket.

SENATOR JANSSEN: Okay. Any questions? Senator Cornett.

SENATOR CORNETT: I just want to be clear. But if you do have one that is just is the video...

JEREMY DAMGAARD: Yes.

SENATOR CORNETT: ...and you win, you do not receive credits on the machine that you can just feed back to the machine?

JEREMY DAMGAARD: Absolutely not. No.

SENATOR CORNETT: Okay.

SENATOR JANSSEN: Any other questions? Seeing none, thank you for being with us, Jeremy.

JEREMY DAMGAARD: Thank you.

SENATOR JANSSEN: Next proponent, please?

RAYMOND BASILI: Senator Janssen, good afternoon, and members of the General Affairs Committee. I thank you for

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the opportunity to express some concerns. I guess...I represent an organization, one of these youth athletic organizations that have benefited tremendously by charitable gaming--it's the Downtown Boxing Club. And by the way, my...

SENATOR JANSSEN: Excuse me. Would you state your name, please?

RAYMOND BASILI: I'm sorry. Raymond Basili, B-a-s-i-l-i. I'm the secretary/treasurer of the Downtown Boxing Club. I guess the best way to give a little bit of background of what had happened with our organization. I have to apologize, as far as time frames, I don't have those numbers. I had a family death, had to come back just last night late so I didn't have time to organize all this, but I've been involved with the organization probably a little over 16 years. I believe it's been around 20 years, started by a good old boy, Kenny Wingo, and he started this boxing club. And what we do, basically, is we teach kids Olympic amateur boxing. Our target are the type of children that normally don't go out for high school sports, like, you know, your football and baseball and that type of thing. They're more the type of kids that would maybe be more loners and kids that would tend to maybe come from a little bit of lower income families. The location of our gymnasium, which is on 24th and Farnum in Omaha, we pretty much, about 90 percent of the children that we have come up, come from the Hispanic market, though we have them from all over the city, from all income levels, and anybody is welcome to do that. When I got involved with the boxing club, we were kind of operating on a shoestring, and it was to the point of, you know, we're either going to do something with this or close the doors. I mean, equipment is expensive, and that was just some of the necessities that we needed. And so we just decided to go for it and try to make something of this. I incorporated the club and got us tax exempt, and to answer you question, Senator, under a 501(c)(3), yes, donations are deductible on income. And I will address that issue, and if I forget, remind me, to answer your question earlier. And so we became tax exempt, and you don't have to be a 501(c)(3) to get a charitable gaming license. A lot of the exempt codes, 501(c)(4) also, I guess, qualify for that. And then we had a garage sale to pay for our charitable gaming license, and, boom, we were in

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the charitable gaming business, I guess. And it was not an easy climb, and we worked our tails off to get taverns, bar operators, to put in our pickle cards--a lot of competition, even in the old days. And I guess to try to streamline things here, that charitable gaming, I guess, was started for a reason, and this was before my time. And I had to assume the reason was to help charities fund themselves and to provide a service to the community. And this is really beyond our wildest dreams, allowed us to do things we never thought we could do with our boxing club. We have taken our kids on trips, paid for everything--motel rooms, food. Taken them to national tournaments that...one in particular, just this September over Labor Day, one of the makers of boxing equipment, Ringside, holds its national tournament down in Kansas City. Boxers from the whole country participate in this. It's a huge event. And we took ten kids down there and we paid for everything for them. And pretty much all these proceeds have allowed this to happen. And we just really feel it benefits a lot of these kids. They are not your typical, like I say, high school football player-type kid, but we feel that it gives them a little bit of direction. And we're just a couple of guys that try to instill in them some just good moral judgment and to try and do a good job for them. As probably many people know, and I am not a proponent for expanded gambling. I voted against it, and selfishly probably, but we didn't need any more competition. When casinos opened up in Iowa, Senator Bourne was...actually I guess we were a little better than Senator Bourne's figures. We dropped about 50 percent. And we stabilized and cut expenses down, and did the best we could. But there has just been a trend over the years, it just seems like every year we just keep on dropping and dropping our proceeds down, and it's getting tighter and tighter for us to run this club. I guess some of the views I have received from people that sell pickle cards for us is that the present system probably worked well in the day that when they were introduced, but, like everything, times are changing and I think that's the only constant we can count on is change, and they are very cumbersome. If their help doesn't steal them blind, they're tough to monitor. Just the whole system is very cumbersome and I work for a very high-tech company and we don't mail things now; we fax things. And so I think any business has to pretty much adjust to the times. Many bar owners are not involved in pickle cards for that reason. It's just such a

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task and a burden to their business. I guess we don't feel this is a expanded gambling, and I guess my feeling is the charitable gaming division, those guys up there do a super job. They monitor things very closely. So, in my opinion, this could be monitored and watched over by a governing body that we have in place already. And I think, number one, it will make...I guess it will give us kind of an advantage to maybe compete a little better, because at the current rate probably...I would say probably about the next two years, if there isn't some sort of change for organizations like us, we will probably close our doors in about two years. Two to three years from now we will probably not be in existence. A lot of these small organizations like us, there are three of us who do everything. We wear all the hats, from janitors, to I get stuck with the administrative part, and the fun stuff the other two guys get to do, like the coaching. But...so...and a lot of these school organizations are very limited on their manpower and what they can do to go out and raise funds. So this, for us, is just really just been a godsend for us and has just allowed us to really to do a tremendous community service, and have some fun at it, too. We enjoy this. I think part of our selfish is we love this sport for kids. We think it's just excellent. And, you know, I just really hate to see this go away, but we are now...it's kind of at a point of urgency now. Two years ago I was here speaking, and it was getting serious. Now, it's to a point of urgency. Senator, just to address...I think you had a comment about increase in speed. I would just to address that because we are in touch with our operators. Yes, it may increase speed individually, but I think on the other side of the coin, where if someone buys pull-tab devices, ten people can go and buy a pull-tab device at one time with an actual unit, and I'm not tremendously familiar with the unit. Only one person plays at a time. And I guess I'm not sure if that will increase or really...I guess is the other side of this that it may not increase either, and so we don't really know the results of that. But I guess my concern is, and I guess I'm asking you to strongly consider LB 733 for not only our organization but there are a lot of young girls' groups, gymnastics, dancing organizations. You could probably name in every athletic sport there is for children that rely totally on this type of funding for them, and they, like us, are going to get to a point where they go away. And whether that's important or not, I don't know. But we feel it is.

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SENATOR JANSSEN: Okay.

RAYMOND BASILI: I'm free for any questions.

SENATOR JANSSEN: Any questions? Senator Erdman.

SENATOR ERDMAN: Ray, I guess my question would be similar to what I had already posed to Senator Bourne about the status and donations. What percent of your proceeds, I guess, are donations versus the actual revenue from the pickle cards?

RAYMOND BASILI: What happened very recently, Mayor Fahey actually was very instrumental in helping get a sponsor for the whole boxing...there are about five different organizations in Omaha, boxing clubs, that make up the Coaches Association. And we have been able to receive funding from that. Percentage-wise, it's very small. Most...and occasionally we get a donation, but probably 96 percent of our fund come from charitable gaming. To answer further, you know, we...the old cliché, we've been there, done it, did it...believe me, we have tried to solicit funds through donations. Again, when you are an organization like us, you know, this is not my job, but we have jobs that pay the mortgage and that type of thing. This is above and beyond. And it's, number one, very difficult to solicit funds. I've tried to write grants, United Way. I mean, I have been there, and very unsuccessfully, to tell you the truth, and it's not that easy. But I have not been able to crack that code, so to speak. So we always try, but it's very, very difficult--very difficult.

SENATOR ERDMAN: Okay. Thank you.

SENATOR JANSSEN: Any other questions? Seeing...thank you, Ray.

RAYMOND BASILI: I appreciate your time.

SENATOR JANSSEN: Um-hum. Next proponent, please.

JAMES BOURNE: Good afternoon. My name is James Bourne, no relative of Pat's, and I'm with the Sowers Club of Lincoln.

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We're a hundred members strong. I just found out about this bill about an hour ago, so, but I do know we supported before when it came up, but we do know that it would be a much cleaner operation than it presently is. I think the security would be a lot better than the present pull-tabs. We're 100 members strong, and we had our disbursement party last December for all of the charities that we give money to in lieu of as well as our members. And since we started distributing pickle cards in the city of Lincoln, which we think we're pretty close to the second largest pickle distributor in the city and some surrounding areas, we've given close to \$3 million to over 40 charities. Yes, the revenue has gone down considerably. We used to get anywhere from 50 to 60 grants, if not more, every quarter, requesting money, but now obviously since our revenues are down, obviously the grants are a lot less because some of the grants for \$50,000 and \$100,000. But we are now distributing around \$25,000 every quarter, where it used to be \$100,000 to \$150,000, \$200,000, I believe at every quarter. So the revenue is really down, and anything that can enhance our revenues...it probably isn't the place to bring it up, but since the last month when they, Lincoln and the voters passed no smoking in all facilities, especially in the bars and restaurants, we have had meetings with several of our pickle card handlers, and it's down 30 percent. And, believe it or not, I think smokers do play pickles, but they don't stay longer if they can't smoke, let's face it. But we are a very strong proponent of pickle cards. We have a very large foundation which we consider large for 100 members, is \$2.5 million. And we did get grants from the foundation, as well. So we know it would help the sales people considerably. I don't know how the workings of the machines totally will work, but we're under the impression there will be a lot less paper, a lot less more security within the distributors (inaudible) bars or restaurants, whatever. So if it will enhance that in itself, it would be great. I am presently the vice president of the Sowers Club so, and I've been in it for 25 years, and we're a great organization. So anything we can do to get the bill furthered, we would appreciate it.

SENATOR JANSSEN: Okay. All right. Thank you, James. Are there any questions? Seeing none...Mr. Bourne, I don't believe you filled out a sign-in sheet. They are in the back in the corner there. Just one in the box when you...

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JAMES BOURNE: Okay. Will do.

SENATOR JANSSEN: All right, thank you. Next proponent, please.

JIM MOYLAN: Mr. Chairman and members of the committee, I'm Jim Moylan, appearing today on behalf of the Nebraska Licensed Beverage Association, which is a state association of liquor retailers in support of this legislative bill. I think you've heard most of the arguments this afternoon why they think the bill should be passed, and especially the reduction in pickle card funds for the charities over the years has been dramatic since the casinos came into Iowa. Today I'd like to point out two things. One, this probably would keep several of the Nebraska gamblers from going over to Iowa to gamble. It might keep them here in Nebraska. It would keep the revenue here in Nebraska, which would benefit the charities and people in Nebraska and not in Iowa. Number two, this isn't a constitutional amendment to change gambling. The pickle card law has been in existence for 20 years and revised in the '80s. It's not a law to basically change the pickles because all it does is give an alternative delivery system of pickle cards. For that, I ask you to advance the bill to the floor and see if we couldn't pass it this year. If you have any questions, I'd be happy to try to answer them.

SENATOR JANSSEN: Any questions? Seeing none, thank you, Jim. Next proponent. Any other proponents? We'll go to the opponents. Any opponents?

AL RISKOWSKI: Yes. Al Riskowski, R-i-s-k-o-w-s-k-i, Nebraska Family Council in opposition to LB 733. We are a nonprofit organization, and I can understand the need to raise finances. We truly are nonprofit, and most organizations in our situation are such. I do believe it is important to finance and to support some of these charitable organizations. I believe all of us here can relate to Little League and some of the things that were mentioned here today. I just do not believe that we need to look to gambling as the constant answer to support all of these things here in our society. As a matter of fact, just two decades ago, state governments almost uniformly served as watchdogs to oppose any form of gambling. Now, state

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legislatures promote gambling. Have we gotten so desperate for revenue that we have become insensitive to gambling's negative consequences to communities, families, and to individuals? And just to relate a bit of a personal note, when we think of building Little League on some of this, I personally know of a family very close to me whose mother became addicted to slot machines. Now, of course, this is not slot machine, but it is getting very close to that, with the quick result. And because of that, and her constant going to the slot machines, basically wagered away the inheritance of the entire family. As the family became aware of it, they tried to get help for their mother. But is that the kind of support that we want for Little League? The National Opinion Research Center at the University of Chicago, in collaboration with the Gemini Research, The Lewin Group, and Christiansen/Cummings Associates, collected or assembled and analyzed five new data sets on gambling behavior, problems, and attitudes. And here are just a couple findings based on criteria developed by the American Psychiatric Association. They estimated that 2.5 million adults are pathological gamblers, and another 3 million to be considered problem gamblers, with an additional 15 million adults are at risk. Gambling is a practice that bets on the losers and uses their limited monies to fund projects. The money that is gained from gambling is not manna from heaven; neither it is miracle money. The money gained from gambling is taken from the same individuals who pay Nebraska state taxes. The gambling industry entices individuals to gamble by promoting the possibility of big winnings to them, but I believe that gambling is a loser for Nebraska communities, families, and individuals, and I ask the Committee on General Affairs to oppose this bill. Thank you.

SENATOR JANSSEN: Any questions? Seeing none, thank you for being with us, Al. Next opponent, please.

LYLE JAPP: Mr. Chairman, senators of the great state of Nebraska, my name is Lyle Japp, J-a-p-p. I live at 1505 South 97th Street, in Omaha, Nebraska. I'm here today in opposition to the bill that's before us. And the thing that occurs to me is, as we want to improve these machines, the delivery system, make them more enticing, how much further will we go before some judge says we already have third-class gambling in the state of Nebraska, and bypass

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the wishes of the state of the people in Nebraska? To me, as I listen to this, I'm thinking of a dollar coming from people who can ill afford it. I see at least 50 cents coming out and given to another group of people who admittedly need it. But it is a very expensive way, and the people who really gain are the people who sell the machines and the places that house these machines. And so it just seems to me not a very good, solid business sense. The other day I sat in a committee hearing in Omaha Chamber of Commerce...or not chamber of commerce, but city council...and I was disturbed by my councilman asking questions with regard to a business, if they had a smoking ban, how much would it reduce their business and how much would it reduce the taxes they would be paying? That just seems to me a very, very poor way to make a decision on something that, when we're talking about caring about people. I'd like to conclude here today by reading a little portion here from the widow of the man that I mentioned in the last session. (Exhibit 7) She says, "The whole thing began with a small slot machine win during a vacation we took in Las Vegas to see some shows there. We gambled a little just for fun, but that wasn't the reason for the trip. That win hooked him and gradually he began going to the casinos close to Topeka. Their rewards club offerings would get him to go up there just to receive the little incentive gift or whatever. But then he would end up gambling, sometimes thousands of dollars in a night. I told him that the VIP on the members' rewards cards should really stand for Very Impaired Person. Eventually, he came to the point where he absolutely hated the casinos, but he couldn't stop himself anymore. What was worse, is that as a mental health professional, he was very aware of his addiction and was humiliated by it. He felt horrible that his work was to help others with their compulsions, yet he couldn't control his own. It tore him up. He was too ashamed to even go for help. He felt that banning himself from Harrah's might be enough of a barrier, but obviously it wasn't. Harrah's official position that they don't want problem gamblers is a lie. They wouldn't have platinum players' club levels if they didn't want compulsive gamblers. If you ever see the casino hold an event for their high rollers, most of them look like they don't have enough money to pay for the basic necessities of life. David gambled \$113,000 in 2003, and nobody at Harrah's ever blinked an eye." And a final bit: "Oddly, we don't hear state governors saying we should smoke

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more and drink more because the school children need the taxes. In fact, nowhere are the stakes higher and the odds worse and gambling addiction more rampant than in the halls of state government. From California to New York, a handful of states continue to hammer their citizens with the deadly brew of money and lies. Gambling knows no regional boundaries and it crosses party lines. Republican Robert Ehrlich of Maryland and neighboring Democrat "Fast Eddie" Rendell of Pennsylvania, ran their campaign promises on tax relief through the magic of gambling. They've pitched their programs like card sharks in black suits, dealing the ubiquitous lie, a painless revenue source." I thank you for the privilege of appearing. I am leaving copies of the total story.

SENATOR JANSSEN: Any questions? Seeing none, thank you, Lyle, for being with us.

LYLE JAPP: Thank you.

SENATOR JANSSEN: Next opponent, please. And try not to be repetitive.

PAT LOONTJER: Senators, I am Pat Loontjer from Omaha, director of Gambling with the Good Life, a grassroots group established in 1995. And we've been down here since that time, opposed to any form of expanded gambling, and we've been dealing with this particular piece of legislation almost, you know, a great portion of that time. And it burdens our heart to think that we have charitable organizations who admirably are doing good deeds for the poor in this state, and yet I find it unconscionable that they would prey upon the very people that they are trying to help. What they're trying to do with this bill 733 is to increase the speed at which a person can gamble. What does speed do? Speed will increase the sales; there is no doubt about it. What will the increased sales do? It will increase the losses. What will increase the losses? The results from that will be increased hurt families, the very people that the charitable organizations are trying to help. It's a vicious cycle. How can you help poor families by making them poorer? This doesn't make any sense. And it is a gateway to bringing slot machines into the state. It's just one step closer. It's like asking someone, what is the answer to putting out the fire. Do you pour gasoline on it?

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No, that is not the answer. And there's got to be another solution. I know that there are so many charities that are struggling, but gambling is not the answer for anyone. All it does is hurt. It hurts our economy; it hurts our families. So we're just here to say, again today like we've said before, that a mechanical dispensing device is a slot machine. If it walks like a duck, talks like a duck, it's a duck. (Quacking sound)

SENATOR JANSSEN: Thank you. Would you please shut that off?

PAT LOONTJER: It won't stop. It will in a second.

SENATOR JANSSEN: Well, take it along with you, Pat.

PAT LOONTJER: And we have gifts for each one of you.

SENATOR JANSSEN: Well, no. No, you leave those back by the back door. They can pick them up if they want them. You can't...

PAT LOONTJER: Okay. So that you can have this to say, the next time the bill comes up for a mechanical dispensing device, it's a duck because it walks like a duck, it talks like duck, quacks like a duck, it's a duck. So it will help you to remember.

SENATOR JANSSEN: Are there any questions? Senator Friend.

SENATOR FRIEND: Thanks, Senator Janssen. Ms. Loontjer, how long is...help me out, I've only been here two years and I've been, I guess, in tune but maybe not that in tune...how long has your group been in existence working on these issues?

PAT LOONTJER: 1995.

SENATOR FRIEND: And when was the lottery...when did the lottery come into...

PAT LOONTJER: Prior to that.

SENATOR FRIEND: Prior?

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PAT LOONTJER: Um-hum.

SENATOR FRIEND: Have you ever given any thought to working to try to eliminate the lottery?

PAT LOONTJER: You know, the coalition is so vast and there are so many different opinions in it, that we have taken...you have to pick the hill you are willing to die on. And we've chosen to say we are opposed to expanded gambling. Trying to roll anything back is virtually impossible. There is a number of people within our organization that are opposed exclusively just to slot machines and casinos. There are a number of people in the organization that would be opposed to the lottery or the horses or bingo, you know, a vast variety. But we've just decided that we will be opposed to expanded gambling.

SENATOR FRIEND: Thanks.

SENATOR JANSSEN: Any other questions? Seeing none, thank you.

PAT LOONTJER: I have some materials. (Exhibit 8) I'll just leave the materials here.

SENATOR JANSSEN: That's fine. You can leave the material, the written material. The page will pass that out when he gets back.

PAT LOONTJER: Okay.

SENATOR JANSSEN: Thank you, Pat. Any other opponents? Anyone in a neutral capacity? Seeing none, Senator Bourne to close.

PAT LOONTJER: Don't forget to take your duck.

SENATOR BOURNE: No I don't want the duck. Thank you, though. Thank you. Thanks for...

SENATOR JANSSEN: Sure.

SENATOR BOURNE: ...having me today. I, as Senator Schimek, I appreciate the viewpoints of the opponents, however every one of them talked about this as if it was a slot machine,

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and it's not. If you can offer ideas or suggestions on how charities can do this, I'm all ears as I'm sure they are as well. Senator Erdman had a question earlier about the constitutionality of the machine. And I think it's been resolved. I don't believe that there is any constitutional issues with the machine. There was a...I can get the site for you, but in 2003 there was a federal appeals court in our area that ruled that electronic pickle card devices, those that dispense cards utilized by the Santee Sioux Tribe, are no different than other pickle machines, and are therefore legal. So I don't believe there are any constitutional issues, but that we can explore. But, again, I just want you to recognize I don't believe this is expanded gambling. We have pickles; we've had them for years. I don't believe that this is a prelude to slot machines. I agree that the voters resoundingly said we don't want slot machines. I think this is just simply a way to allow charities to hang on, to provide some good services. If there is a philosophical or moral issue regarding the use of gaming proceeds for that type of venture, that's a legitimate concern. But, again, this is not a slot machine. Every individual that testified in opposition compared this to a slot machine and talked about the social ills associated with those devices, but this is not that. Thank you.

SENATOR JANSSEN: Thank you, Senator Bourne. That ends the hearing on LB 733 and ends the hearings for the day.